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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS: FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Support account for peace-keeping operations

Note by the Secretary-General

I. INTRODUCTION

1. By paragraphs 4 and 5 of its resolution 50/221 of 11 April 1996, the General Assembly respectively decided to revert to the proposals of the Secretary-General for the support account for the period from 1 July 1996 to 30 June 1997 1/ at its second resumed session, in May 1996 and requested the Secretary-General in that regard to address the issues contained in the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). 2/

2. The Secretary-General notes that, while raising a number of observations and recommendations in its report (A/50/897), the Advisory Committee also recommended that the General Assembly authorize, for the period from 1 July 1996 to 30 June 1997, Headquarters backstopping requirements, funded from the support account, in the amount of $37,236,200 gross ($31,346,400 net), together with a staffing level of 355 posts, subject to whatever decision it may take with regard to the rental of space at the FF Building. The observations and recommendations raised by the Advisory Committee fall under two categories.

3. The first relates to those observations and recommendations to be taken into account when preparing future annual reports of the Secretary-General on the support account for the period beyond June 1997. These include restoring simplicity to the procedures for the approval of expenditures (A/50/897, para. 7), providing information on resource use during the preceding calendar year (ibid., para. 8), making reference to the impact on resource requirements of the reforms and new procedures called for by resolution 49/233 (ibid., para. 20); full disclosure of the scope of activities financed from trust funds

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(ibid., para. 23); full disclosure and valuation of services rendered by military/civilian personnel on loan from Governments to the Organization (ibid., para. 25); and provision of information on the geographic distribution of posts (ibid., para. 34).

4. The second category deals with those observations and recommendations of the Advisory Committee that are to be addressed now. The immediate issues are addressed in the present note, which provides:

(a) An elaboration on the conduct of the comprehensive review undertaken by the Secretary-General on the support account (ibid., para. 18);

(b) The outcome of the review of what action can be taken immediately to correct the imbalance between United Nations-financed posts and gratis military officers occasioned by the proposal to suppress and/or utilize elsewhere in the Department of Peace-keeping Operations a number of Professional-level posts and gratis military officers from the Planning Division (ibid., para. 27);

(c) The outcome of the review of requirements in the regional divisions of the Office of Operations, taking into account the number and size of relevant peace-keeping operations under their supervision as well as relevant activities implemented by other Secretariat departments/offices funded from the regular budget, such as the Department of Political Affairs (ibid., para. 29);

(d) An explanation of the low-priority designation for certain elements of the Department of Peace-keeping Operations' claims-processing activities contained in annex III (workload data) to the report of the Secretary-General 1/ (ibid., para.30);

(e) The outcome, within the 355 posts requested, of further review and analysis of the ratio of General Service posts to Professional posts (ibid., para. 19);

(f) The outcome of further review of posts requested for certain offices in Department of Administration and Management, specifically, telecommunications services, mail and pouch, treasury and accounts, bearing in mind the impact of technological innovations being implemented (ibid., para. 29);

(g) An elaboration of the basis for the proposed reduction of two Professional posts in the Audit and Management Consulting Division of the Office of Internal Oversight Services (ibid., para. 29);

(h) Information on the extent to which the space at the FF Building would be used to accommodate staff funded through the support account (ibid., para. 32).

5. As regards other specific questions raised by the Advisory Committee in paragraph 24 of its report 2/ on the use of military/civilian personnel on loan from Governments, these will be addressed in a separate report of the Secretary-General, which is under preparation.

II. REVIEW PROCESS

6. The comprehensive review was indeed conducted with the possibility of a significant reduction in posts in order to remain within the projected support account income for 1996 if the current funding methodology and financing formula were maintained. Nevertheless, within that context, the primary thrust of the review exercise was to determine the minimum level of support account resources required to perform adequate backstopping requirements at Headquarters for the 3-month bridging period from 1 April to 30 June 1996 and the 12-month period from 1 July 1996 to 30 June 1997, taking into account the new budget and financial cycle for peace-keeping operations as well as the changing requirements for backstopping peace-keeping operations.

7. Within these parameters, the departments/offices involved identified their respective minimum resource requirements, including their intended internal post allocations. These initial proposals were the subject of further reviews and adjustments between the departments/offices and the Office of Programme Planning, Budget and Accounts. While the reduction of posts was a factor in determining final output, the main consideration of the comprehensive review was to find a sustainable level of resources, taking into account the workload analysis for the period under review and bearing in mind the financial constraints faced by the Organization. The resulting internal allocation of posts for each of the departments/offices involved comprised a mix of post suppressions and redeployments, a very few new and/or reclassifications of existing posts, representing the best judgement of the Secretary-General and his programme managers of the minimum resources required for supporting peace-keeping operations at Headquarters.

8. Departments/offices involved, when developing their minimum support account staffing proposals, have taken full account of the totality of staffing resources available to them from other sources of funds that could be identified as performing backstopping-related functions (i.e., the regular budget, extrabudgetary, gratis personnel). In this connection, it is noted that, while all the posts in the Department of Peace-keeping Operations funded from all sources of funds perform executive direction, management and support functions for peace-keeping operations, for the other departments/offices involved, their non-support-account-funded posts generally do not perform backstopping-related functions. Nevertheless, it was with a view to full disclosure that information at a greater level of detail than previously provided on the number and grade levels of posts and their related source of funding was included in the report of the Secretary-General. 1/

III. STAFFING OF THE MISSION PLANNING SERVICE

9. The Mission Planning Service, as the largest entity of the Planning Division, develops comprehensive concepts and plans for peace-keeping missions and other complex emergencies, if required. Even though the planning function is clearly interdisciplinary, the nature of the tasks to be performed lends itself to the particular skills provided by staff-trained military personnel. Hence, the number and concentration of military officers in this area. At this point in time, it would be difficult to identify civilian staff in the

Department of Peace-keeping Operations with the requisite qualifications to replace military officers in the Mission Planning Service. Military officers are made available by their Governments for limited periods of time, so that their assignment to the Department can be considered as a planned phase in their career. This is true for those holding United Nations appointments and those provided free of charge by Governments. Familiarization with the United Nations environment and the specificity of the tasks to be performed require a rotation schedule of about two years; a similar time-frame is required to maintain continuity and guarantee sufficient institutional memory. The Department is not in a position to redeploy United Nations-funded posts from elsewhere in the Department to the Mission Planning Service. Thus, efforts to maintain a balanced geographical distribution of the planning staff would entail the provision of additional posts.

10. The report of the Secretary-General 1/ had indicated that there were 122 gratis military officers in the Department of Peace-keeping Operations and 4 in the Department of Administration and Management. At the time of the hearings with the Advisory Committee, the numbers were adjusted downward to 112 and 3 respectively. Given the fact that the number of such personnel constantly varies with time, the estimated cost of the former figures based on grade equivalencies provided by the Department of Peace-keeping Operations would be some $5.9 million per year. It must be noted, however, that the costing estimate is based on United Nations standard costs after assigning approximate United Nations grade levels to gratis military officers. A more comprehensive discussion on gratis military personnel will be provided in a forthcoming report of the Secretary-General.

IV. REGIONAL DIVISIONS OF THE OFFICE OF OPERATIONS

11. In connection with the bottom-up functional review that had already been undertaken on the basis of the report of the Secretary-General, 1/ particular attention was given to the question of possible overlap between the regional divisions in the Office of Operations, Department of Peace-keeping Operations, and the regional divisions in the Department of Political Affairs. In broad terms, the division of labour may be described as follows: the Department of Political Affairs supports the Secretary-General in his political contacts with Member States; has primary responsibility for the provision of required inputs as well as for reviewing reports to the political bodies of the Organization; and supports the Secretary-General in his conduct of good offices, preventive diplomacy and the negotiating process. The Department of Peace-keeping Operations plans, deploys, directs and supports peace-keeping operations and, in addition, supports other field missions. It deals with all aspects of the implementation of peace-keeping mandates and, to this end, maintains contact with the field missions and with Member States. There is active collaboration between the two departments relating to contacts with the parties to a conflict in the preparation of reports to the political bodies of the Organization.

12. In view of paragraphs 9 and 11 above, the Secretary-General maintains his position that the proposed allocation of 217 support account-funded posts within the Department of Peace-keeping Operations for the 12-month period from 1 July to 30 June 1997 should be sustained. At the same time, he notes that

flexibility already accorded to him will allow him to meet, as required, changing operational requirements during the period.

V. PRIORITY DESIGNATION TO CLAIMS-PROCESSING

13. In paragraph 30 of its report, the Advisory Committee requested an explanation on the low-priority designation given to claims relating to contingent-owned equipment (COE) by the Claims Unit of the Department of Peace-keeping Operations in annex III to the report of the Secretary-General. 1/ In fact, highest priority is accorded by the Department to the processing of claims by troop-contributing Governments. However, at the Claims Unit level, claims-processing work is carried out in the following order: letters of assist, death and disability and COE. In this connection, it is noted that claims for COE, under current arrangements, are normally submitted by Governments once a year and take much longer to process because of the need for technical verification of "in-out surveys", which form the basis for calculations. Moreover, the designation does not reflect the fact that the processing of COE claims receives urgent attention as soon as they are submitted by Member States. At present, the Finance Management and Support Service has 22 staff, including 15 gratis military officers assigned exclusively to the processing of claims. This represents some 38 per cent of the total resources available to the Service.

VI. RATIO OF GENERAL SERVICE TO PROFESSIONAL POSTS

14. The Advisory Committee expressed the view that the ratio of General Service to Professional posts required further analysis with a view to achieving a reduction in the number of General Service posts. It is pertinent to point out that the majority of General Service posts funded from the support account in the Department of Peace-keeping Operations and in the Department of Administration and Management are not performing secretarial-type duties but for the main part are filling technical positions; assisting Professional staff in the handling of finance and budgets, electronic data-processing and telecommunications, procurement and other technical functions.

VII. IMPACT OF TECHNOLOGICAL INNOVATIONS ON CERTAIN DAM UNITS

15. The Advisory Committee requested an explanation of the impact of technological innovations on resource requirements in telecommunications, mail and pouch, treasury and accounting. At the outset, it must be recognized that computerized systems, however sophisticated, require human intervention to enter data, review the results, make judgements and take appropriate action. These are discussed briefly below:

(a) The Telecommunications Operations Section of the Electronic Services Division currently has four posts (1 P-2 and 3 GS), of which one General Service or 25 per cent has already been proposed for abolition. This Section handles all communications traffic, including voice, cryptographic messages, satellite circuit installations, facsimile, cable and telex. The remaining posts are

essential to ensure that these critical services are not disrupted within the context of the continuing support required by missions in the field;

(b) There are currently five General Service posts in the Mail and Pouch Unit of the Mail Operations Section of the Buildings Management Service, of which two, or 40 per cent, have already been proposed for reduction. The reduction has more to do with the anticipated downsizing and closure of some missions rather than with technological innovations. There is no viable alternative, as yet, to diplomatic pouch operations, which continue to serve as an essential communications instrument between Headquarters and field missions;

(c) The Accounts Division will benefit from the impact of technological innovations, particularly the Integrated Management Information System (IMIS), but most of this benefit will not have an impact on staffing in a significant way for another 12 to 18 months. Release 3 of IMIS has just been implemented, but a significant amount of continuing work in the migration and conversion of data from the old accounting system to the new IMIS environment, development of new reporting, and reconciliation work will be necessary in the coming months. Release 4 of IMIS, which covers payroll services, will not be implemented until late 1997, and this is the area in the Division that has the most potential for staff savings after the full implementation of IMIS. For the next year or so the Division's workload will remain almost as high as it has been in recent years, though in the programme budget for 1996-1997 the Secretary-General has already reduced two regular budget General Service posts in anticipation of productivity and efficiency gains resulting from IMIS (A/50/6/Rev.1). Much of the mandatory accounting work performed in support of peace-keeping is not affected by release 3 of IMIS. Such work includes the production of peace-keeping financial statements, handling inter-office movements of funds, processing payroll and other entitlements for peace-keeping staff, bank reconciliations and the like. The Division must also continue to provide substantial technical support and maintenance for the field accounting systems already developed and eliminate a considerable number of finance positions that would otherwise be needed. In addition to the Division's current workload, additional transition work will arise from the upcoming change in the financial period for all peace-keeping activities to the fiscal July-to-June year. In response to the anticipated downsizing and closure of a number of peace-keeping operations and some limited early productivity gains from release 3 of IMIS, the Accounts Division has already proposed a reduction of four posts (1 P-4, 2 P-3 and 1 GS), or a total reduction of 17 per cent, in its request for funding from the support account;

(d) With regard to the Treasury, a number of specific activities will not be performed in IMIS. These include the opening and closing of bank accounts, changes in signatory panels, placement of short-term investments, and so forth. Thus, while IMIS is expected to improve the accuracy of records and the integration of data, it will not have a significant impact on the work performed in the Treasury for the immediate future. The acquisition of the portfolio management software is mainly intended to reduce errors and improve the rate of return on investment by making it possible to consider and utilize certain investment instruments that are too complex to be managed with existing systems. The Treasury is not a large organizational entity in which there are many clerical staff performing the same routine processing functions. Thus, the

economies of scale that are usually associated with "technological innovations" cannot be applied to it. Nonetheless, with the anticipated downsizing and closure of a number of peace-keeping operations, one support account General Service post has been proposed for suppression.

VIII. AUDIT AND MANAGEMENT CONSULTING DIVISION, OFFICE OF INTERNAL OVERSIGHT SERVICES

16. When determining its minimum requirements for the audit of peace-keeping operations, the Office of Internal Oversight Services took into account the prospective downsizing and closure of a number of missions. Moreover, the proposed reduction of two support account posts for OIOS also took full account of its audit plan for the period covered and includes the audit of missions during their liquidation phase. This audit plan was reflected in annex III to the report of the Secretary-General. 1/

IX. FF BUILDING SPACE

17. In paragraph 32 of its report, 2/ the Advisory Committee had noted that a provision in the amount of $2.7 million had been made for the cost of common services for the 355 posts proposed for the period from 1 July 1996 to 30 June 1997. Of this amount, $1.8 million related to rental of office space calculated on the basis of standard costs related to staff. There is no direct linkage between this amount and the rental requirements for the FF or any other building currently occupied by the United Nations Secretariat. The rental payments required for all rented space, including the FF Building, are financed primarily from the regular budget, supplemented by the charges attributable to the extrabudgetary accounts.

X. CONCLUSION

18. The Secretary-General trusts that the additional information provided herein will allow the General Assembly to establish the minimum predictable annual level of support account resources needed to meet the backstopping requirements at Headquarters by endorsing, at its second resumed session, his proposals, 1/ which were based on the outcome of the comprehensive review. The further continuation of short-term ad hoc arrangements authorized by the General Assembly up to now would serve only to perpetuate the instability and difficulties experienced by the Secretariat to carry out forward planning on the identification, recruitment and subsequent use of staff selected in accordance with the established regulations and rules, for peace-keeping backstopping functions.

Notes

1/ A/50/876.

2/ A/50/897.